GUJARAT
MAHARASHTRA
GOA

DOING BUSINESS IN INDIA: A WESTERN INDIA PERSPECTIVE

FOREWORD

Bombay, located in the State of Maharashtra on India's western coast is the country's largest commercial centre and now India's largest urban centre, having overtaken Calcutta in 1990. It boasts a vibrant private sector and is very cosmopolitan in nature, linked to all major Indian and most international centres. It is home to the headquarters of many of India's largest companies, to foreign and domestic banks, to a vigorous stock exchange and capital market and to a wealth of small and medium sized companies. It is India's major sea and air port and is a crucial transportation node. It is home to numerous research and educational centres of the state (such as Pune) It offers significant potential for Canadian exporters or joint venturers, within the general context of doing business in India.

In a similar way, the state of Gujarat to the north is known as one of India's most entrepreneurial states with the second highest growth rate in the country, as well as impressive rates of investment and per capita income. Particularly in the resource based industries, there are numerous interesting opportunities for Canadian companies.

The third state in our western India region, Goa, has long been known as a tourist haven and is the most recently created state in India. The state government is promoting the state as an electronics centre to add to the growth achieved from its mineral resources.

This study has been prepared as a market guide to western India by an independent consultant with editorial guidance from the Consulate of Canada in Bombay.

FAIRE DES AFFAIRES EN L'INDE: UNE PERSPECTIVE DE L'INDE DE L'OUEST

Situé dans l'état du Maharashtra sur la côte ouest indienne, Bombay est le plus important centre commercial du pays. C'est également le plus grand centre urbain, ayant dépassé Calcutta en 1990. Bombay est très cosmopolite de par sa nature et possède un vibrant secteur privé. Il est relié à tous les centres indiens importants ainsi qu'à la plupart des centres internationaux. Il regroupe les sièges sociaux de plusieurs des plus grandes compagnies indiennes, des banques étrangères et nationales, une bourse et un marché des capitaux vigoureux ainsi qu'une multitude de petites et moyennes entreprises. Bombay a le plus important port de mer et le principal aéroport de l'Inde. C'est un carrefour stratégique au niveau de tous les moyens de transport. Il abrite de nombreuses institutions d'éducation et de recherche. Dans le contexte général des affaires en Inde, Bombay offre, comme les autres centres industriels et commerciaux de l'état (comme Pune), un potentiel significatif pour les exportateurs canadiens et les associations d'entreprises.

De la même facon, l'état du Gujarat, dans le nord, est reconnu comme étant l'état le plus entrepreneur de l'Inde avec le second taux de croissance le plus élevé et d'impressionants taux d'investissements et revenus par habitant. Le Gujarat offre de nombreuses opportunités pour les compagnies canadiennes particulièrement pour les industries basés sur l'exploitation matières premières.

Le troisième état de l'ouest indien, Goa, a longtemps été reconnu comme un paradis du tourisme. C'est l'état indien qui a été créé le plus récemment. Le gouvernement de l'état promeut Goa comme un centre d'électronique afin d'ajouter à la croissance déjà réalisée dans le secteur des ressources minérales.

Cette étude a été préparée comme un guide de marché pour l'Inde de l'ouest par un consultant indépendant, sous la direction éditoriale du Consulat du Canada à Bombay.

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INTRODUCTION

India has, for too long, been stereotyped by the barefooted villager and snake charmer image. Though India still remains an overwhelmingly rural country, with 80% of its population living in villages, it has clearly not been bypassed by the economic boom currently sweeping across the Asia Pacific region. Recent economic liberalization in India has also widened interest in establishing strategic commercial, technology and marketing alliances in this large rapidly growing economy.

Western India, including the three economically forward states of Maharashtra, Gujarat and Goa offer tremendous scope for Canadian exporters. Maharashtra ranks first among the states in India in respect of industry and finance, followed closely by Gujarat. Goa offers a wide range of opportunities in mining, shipping, electronics and tourism. In all, western India is the most important region for business in India.

PART I
INDIA

1. GENERAL OVERVIEW

a. Basic facts

India, with its capital at New Delhi, has an area of 3,287,263 square kilometres and a population of 820 million. It has a per capita income of Cdn $250 (1 Cdn $ = Rs. 15) based on a rural population of 76.7 percent, with the balance urban dwellers. The country is composed of 25 states and 7 union territories (administered by the Central Government).

b. What India buys

The composition of India's imports are listed below:

Cdn $ millions

	(P) 1988-89	1970-71
Petroleum and products	2830	91
Machinery, other than electrical*	1946	171.9
Pearls, precious and semi precious stones	1910.7	16.4
Iron and steel	1167.3	98
Electrical machinery*	1065.3	91.1
Chemical elements and components	1288	45.3
Edible oils	484	15.4
Transport equipment*	510.7	44.3
Non-ferrous metals	524	79.6
Fertilizers and fertilizer material	618.7	66.6
Paper and board and manufactures	204	16.7
Metal manufactures	128.7	6.2
Medical and pharmaceutical products	130	16.2
Cereals and preperations	420.7	142
Total imports (incl. others)	18462	1089.5

P = provisional
* including spares, components and accessories.

India's imports during 1988-89 shot up by 23.9% as against 11.4% in the preceding year. India's imports have been rising since the second oil shock of 1979-80 and particularly during the 7th plan (1985-90) period following the pursuance of a liberal import policy. Bulk imports (comprising foodgrains, mineral oils, edible oils, fertilizers, sugar, metal scrap, crude rubber, paper and newsprint, iron and steel and non ferrous metals) constitute the largest components of India's imports, though their share in total imports have been declining over the past few years. On the other hand the share of capital goods, pearls, precious and semi precious stones and chemicals, in India's imports, has been going up.

The following table indicates India's major import sources.

	1987-88		1970-71	
	Cdn $ mn	% of total	Cdn $ mn	% of total
West Germany	1452	9.7	71.3	6.6
Japan	1413.3	9.5	55.3	5.1
U.S.A.	1350	9.0	302	27.7
U.K.	1207.3	8.1	84.7	7.8
Belgium	936	6.3	8	0.7
Saudi Arabia	924.7	6.2	16	1.5
U.S.S.R.	852.7	5.7	70.7	6.5
France	539.3	3.6	14	1.3
Australia	331.3	2.2	24.7	2.2
Canada	204	1.4	78	7.2
Iran	80	0.5	61.3	5.6

India's major import sources are West Germany, Japan, U.S.A. and U.K. Canadian share of India's imports has dropped from 7.2% of the total in 1970-71 to 1.4% of the total in 1987-88.

c. Canadian Exports to India

Canada has a long history of trade with India, which grew from $ Cdn 58 million in 1950 to an all time high of $ 660 million in 1985. Two way trade has however shown a declining trend in the past few years.

Most of Canada's exports to India have generally been in the raw materials and public sector domain, while most Indian exports to Canada have been concentrated in the traditional textile and fabric industry. Canada's major exports to India in 1989 were potassium chloride, sulphur, asbestos, chemical wood pulp, flight simulators etc. Details of major Canadian merchandise exports to India can be seen in Appendix I.

Canada's exports to India have dropped from Cdn $ 393,084,000 in 1988 to Cdn $ 304,200,000 in 1989.This was primarily on account of no imports of oil seeds, vegetable oils & cereals (wheat) by India during 1989, and also a drop in India's import of newsprint, aluminium articles and aircraft parts from Canada. On the industrial collaboration front Canada ranks as India's tenth bilateral partner.

d. Modern India

The table below shows India's ranking in the world in certain key areas.

(data relate to 1984-87)

		World total	India	India's rank in the world
Area	(mn km^2)	135.8	3.3	7
Population	(mn.)	4998.0	781.0	2
Gross domestic product	(US $ bn.)	n.a.	204.0	12
Value added in agriculture	(US $ bn.)	n.a.	64.5	4
Value added in manufacturing	(US $ bn.)	n.a.	35.6	14
Scientific and technical manpower potential	(mn.)	111.0	2.6	14

India holds the first place in the world, in iron ore deposits, tea production, cattle production, groundnut production, production of jute and jute-like fibres and feature film making. It holds the second place in irrigated land area, scooters, production of cotton wovens, rice, and natural rubber. It has the third place in milk, sugar and tobacco production and trained manpower. It has achieved fourth position in wheat production, railways, cotton production and nitro fertilizers, and in coal production it holds the fifth place.

India, the world's most populous democracy, has a middle class estimated to total 150-200 million consumers. They generate enough income to buy **VCRs, cars,** holidays and trendy jeans, Benneton shirts and Bata footwear. They own or rent property, maintain bank accounts and tap interest capital.

India has organized financial markets. The stock exchange has 12 million shareholders. India is the fourth largest emerging financial market, after Taiwan, Korea and Brazil. India has a high and rising domestic savings and capital formation rate — against a backdrop of relatively low inflation rates. This has led to new issues of securities by private Indian firms, improved corporate profits and increased dividend payments by blue chip companies.

India has abundant mineral resources, trained manpower pool, low labour costs, low cost of living and close proximity to Middle East and South East Asian markets. India has also special trade relations with the USSR and COMECON countries, which allows preferential treatment for exports from India.

India's current industrial capabilities range from the most advanced space program in the developing world to supplying automatic components to Mercedes and Chrysler, or software via satellite to Texas Instruments in Dallas.

New opportunities have opened in India because of a more competitive, less restrictive foreign investment regime announced by the Indian government in the 7th plan (1985-90). The list of western companies suddenly taking a new & serious interest in India include Pepsico, ICI, Nixdorf, Hewlett Packard, Digital Equipment, Honeywell, Microsoft, Dupont, Peugeot, British Telecom, Siemens, Xerox, Toyota, Suzuki, Kawasaki, Champion, Yamaha, Phillips, Petroleum, Snamprogetti, Asea Ltd, Hoechst, Bayer, Sandoz, Carrier, Krupp, Merck, Sharp and Dohme, Flakt and Tetrapak.

Some of the recent foreign collaborations include:

Collaborator	Indian Partner	Product
Suzuki (Japan)	Maruti Udyog	Passenger cars
Kawasaki (Japan)	Bajaj Auto	Motor cycles
Yamaha (Japan)	Escorts	Motor cycles
Yamaha (Japan)	Birlas	Generators
Hitachi (Japan)	JCT Electronics	Colour picture tubes
NEC (Japan)	ITI	Digital microwave system
Peugeot (France)	Mahindra and Mahindra	Diesel engines
Dupont (USA)	Reliance Industries	P.T.A.
Appollo Computer Inc. (USA)	HCL	Microprocessor based CAD/CAM
Axel Johnson Engg. AB (Sweden)	ION Exchange	Pollution Control equipment
Snamprogetti (Italy)	Indo Gulf Fertilizers & others	Gas based fertilizer plants
Jeumont Schneider (France)	Hindustan Brown Boveri	EPABX systems
Tunstall Security Ltd (U.K.)	Rallis India	Electronic security systems
Siemens A.G. (W. Germany)	West Bengal Electronics Industrial Dev. Corp.	Electronic teleprinters
Nihon Tokushu Toryo Co. Ltd. (Japan)	Goodlass Nerolac Paints	Speciality coatings & compositions
Zaadunic B.V. (Holland)	Sandoz India	Hybrid variety of seeds
Essex Group Inc. (USA)	Finolex Cables	Jelly filled cables
Xerox (USA)	Modis	Photocopying machines
Champion (USA)	Modis	Spark plugs

Collaborator	Indian Partner	Product
Mitsubishi (Japan)	Allwyn	Light commercial vehicles
Toyota (Japan)	Shrirams	Light commercial vehicles
Mazda (Japan)	Punjab Tractors	Light commercial vehicles
Astra Pharmaceutical AB (Sweden)	Astra IDL	Pharmaceuticals
Phillips Petroleum (USA)	Indian Rayons (Birlas)	Carbon blank
Digital Equipment	Hinditron	Computers
Scientific Design Corp. (USA)	India Glycols	MEG

e. Eighth Five Year Plan

The Eighth five year plan (1990-95) is still in the process of being finalised by the Indian government. A broad framework has been approved that envisages an aggregate investment of $ Cdn 407 billion in the plan period, of which 50% will be diverted to the rural sector. The bulk of the rural investment will be for agricultural development with special emphasis on rain-fed areas.

Allocations for infrastructure, energy and industry have also been approved. Emphasis has been laid on optimisation of the use of existing facilities, and vigorous policies to encourage conservation of energy, water, fertilizers and other scarce resources. The framework has also marked a projected public sector outlay of $ Cdn 223 billion.

2. REGULATORY FRAMEWORK

a. Export Import Policy

India's Import and Export Policies are announced every 3 years and are constantly revised according to the availability of foreign exchange and the requirements of industries and consumers, as well as the availability of acceptable local products.

For complete up-to-date information, consult the Indian government's Import/Export manuals, the latest being the Import and Export Policy, April 1990-March 1993. Due to the fluid nature of current import regulations, it is advised to check the latest information with sources listed in the appendixes.

Imports into India are divided into 3 categories — Open General Licence (OGL), restricted or banned. Goods on the OGL list are allowed to be freely imported by actual users, and include various types of machine tools and components, medical equipment, raw materials, various iron and steel products, pharmaceuticals and chemicals, and electronics components. The new Export-Import Policy (1990-93) has added 82 capital goods, instruments, components, raw materials and consumables to the OGL list, and has removed 17 items which are now thought to be domestically produced in sufficient quantity and quality. Public sector companies with foreign exchange allocation by the Ministry of Finance are permitted to import raw materials and components under OGL upto approximately $ 1.1 million (Cdn), once the foreign exchange clearances and approvals have been granted. The research and development wings of recognised laboratories, educational institutions and hospitals are also eligible to import machinery, equipment, instrumentation, raw materials, components, consumables, accessories, tools and spares under OGL.

All restricted imports require import licences and special procedures, and this list contains the greatest number of products, including various chemicals, engineering items, textiles and components for machinery or steel projets.

The list of banned items includes gold, silver, many types of raw materials, capital and consumer goods. There appears to be some interest in gold de-control by the government. However, industrial units which are 100% export oriented or located in the Free Trade Zones are allowed to import everything they require for production, including imports which are otherwise restricted or banned.

India's trade regulations for both imports and exports, have eased considerably over the years. Only imports from Namibia and South Africa are prohibited. A major number of imports to India are however

monopolies for government agencies, such as State Trading Corporation, Minerals and Metals Trading Corporation and these items are referred to as 'canalized' imports.

b. Tendering procedures

Indian customers belong to three main categories

— The private sector
— Actual users (direct end-users), who are allowed sufficient imports to meet their minimum needs and are mostly Government, industrial and infrastructural enterprises
— "Canalizing" agencies which account for 70% of all imports, and buy bulk materials for re-sale to end users. These state trading agencies were set up to achieve economies of scale, and they usually buy through competitive tenders.

The central purchasing authority for the Government of India is the Directorate General of Supplies and Disposals (DGS & D). They buy all types of products from brooms to heavy machinery. They maintain a "list of registered suppliers" which is reviewed periodically. To sell to DGS & D firms must register with them. However some departments such as Railways, the Department of Space, Department of Telecommunications and the Department of Electronics, usually buy independently through global trenders.

Other main procurement bodies in India include public sector corporations like State Trading Corporation (STC), Minerals and Metals Trading Corporation (MMTC), Steel Authority of India (SAIL), Computer Maintenance Corporation (CMC) the Oil and Natural Gas Commission (ONGC) and Oil India Limited (OIL).

Canadian firms wishing to quote for Government Contracts must submit their tenders through an agent in India. Only in exceptional circumstances are tenders submitted directly by foreign firms.

Tenders are invited after supplying details through direct individual contact to known contractors, or through a general newspaper "Tender Notice." The Times of India and Indian Express newspapers publish these notices on a daily basis. Based on an evaluation of all valid tender documents by the client, the contract is awarded to a suitable party, who may not necessarily be the lowest bidder.

c. Agency legislation

The commercial agent is an independent merchant and negotiates transactions for or in the name of the principal. Both parties may require that the agency agreement be in writing. The agents relationship with the principal is basically that of a service agreement and his powers are subject to that agreement.

Agents rarely work on a retainer basis except in cases involving promotion over long periods. They usually receive their commission from the buyers once goods have been delivered. In dealing with such buyers it is therefore necessary to indicate the quantum of commission on the sales contract.

d. Customs duties

For a wide variety of capital goods, the Government of India must grant an import licence. Import duties of prescribed rates are payable on most items and the tariff structure is complicated. The rates range from 0-300% with most product tariffs ranging from 40-100%, calculated on an ad valorem C.I.F. basis. The Government of India also assesses an auxiliary duty which might range from 10-25%.

The total duty in the general case of project imports is 85%, whereas in the case of power projects (greater than 50 mw) and electronics industry it is 25% and in the case of fertilizer projects 15%. Besides duty being lower, it is administratively easier to import through project import heading, than to have each piece of machinery classified under its respective heading.

The Government has also introduced a concessional import duty of 25% on capital goods for export industries.

In the case of OGL imports, specific permission of the Chief Controller of Imports and Exports is not required, a regulatory role is maintained through the setting of import duties.

e. New Industrial Policy

A new Industrial Policy was announced in June 1990, which would have considerably liberalised licensing regulations and also simplified procedures. A greater emphasis would have been laid on securing relevant technology, equipment and material for improving the efficiency and competitiveness of Indian industry. Accordingly a foreign collaborator could conclude an agreement with an Indian promoter, without obtaining any clearance from the Indian Government, provided the royalty did not exceed 5% on domestic sales and 8% on exports. In respect of proposals involving lumpsum payments in the import of technology, clearance from the Government of India would be required and would be communicated within 30 days from application. Further, 40% of equity was to be allowed on an automatic basis, provided it did not involve imports to exceed 30% of value of plant and equipment. The Indian Government has drawn up (but not released) a list which would be covered by automaticity, to exclude those items which are either import intensive or would create a permanent dependence on foreign raw materials. This draft policy has currently been stalled and Canadian companies are advised to check with the contacts listed in the appendices for the latest update.

f. Sectors open to collaboration

India's massive investment and expenditure programme especially in key sectors such as oil, coal, power, telecommunications, fertilizers and electronics, presents good opportunities for the foreign investor.

Industries and products which are open for foreign collaboration are:

— Telecommunications (telecom cables, telephone instruments, electronic teleprinters)
— Electronics (mini computers/process control equipment, electronic weighing systems, electronic instruments, wrist watches)
— Electrical industry (electric motors, cross linked power cables, power capacitors for power factor improvement).
— Automobile ancillaries (shock absorbers, fuel injection equipment, car air conditioners)
— Industrial machinery (gas cutting and welding equipment, air pollution control equipment, industrial sewing machines, industrial process control instruments)
— Commercial, office and household equipment (electric typewriters)
— Fertilizers (based on natural gas)
— Inorganic/organic chemicals
— Drugs and pharmaceuticals (selected items)
— Man made fibres
— Dyes (selected dyes and dye intermediates)
— Paper (speciality papers like insulation paper)
— Rubber products (radial tyres, contraceptives, oil seals)
— Glass and glass products (fibre and float glass)
— Pesticides
— Synthetic rubber

Currently some of these sectors are under discussion and it is advised to check with listed sources for the latest information.

g. Approval process for foreign collaborations

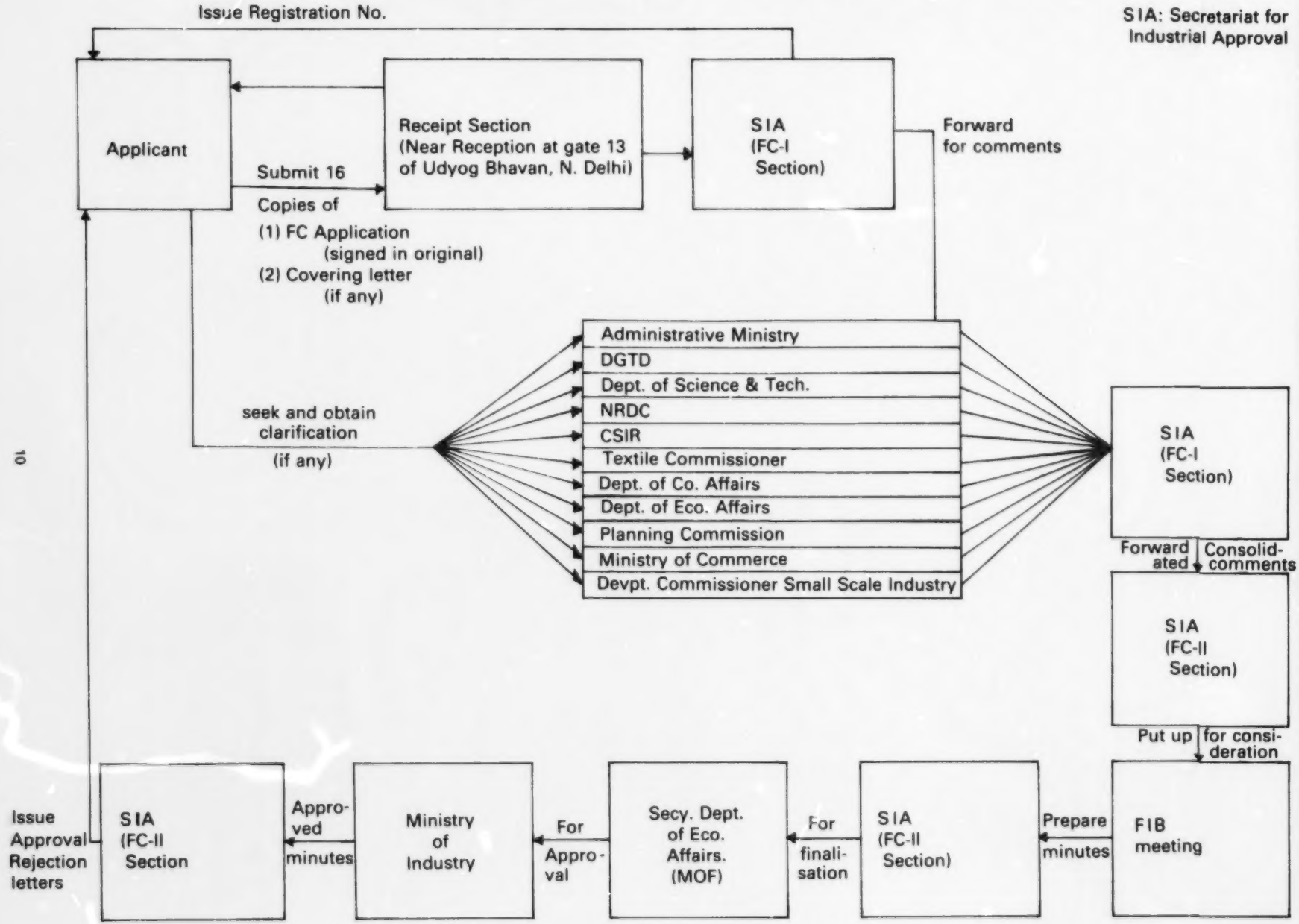
Steps to be followed for the approval of foreign collaborations are detailed in the flow chart given on the next page.

h. Investment regime

The procedures to be followed in establishing an industrial undertaking in India may involve obtaining

— An industrial licence under the Industries (Development and Regulation) Act 1951
— A licence for the import of capital equipment and machinery under the Imports and Exports (Control) Act 1947.
— The approval of the Reserve Bank of India under the Foreign Exchange Regulation Act 1973 (FERA)
— The formalities for the issue of capital under the Capital Issues Control Act 1947 and Capital Issues (Exemptions) order 1969

FLOW-CHART FOR APPROVAL OF FOREIGN COLLABORATION



— A Certificate of Incorporation under the Companies Act 1956
— An approval of the Central Government under the Monopolies and Restrictive Trade Practices (MRTP) Act 1969

An industrial undertaking employing 50 or more workers with the aid of electric power, 100 or more workers without the aid of electric power or manufacturing for a wide range of items included in the first schedule of the Industries (Development and Regulation) Act 1951 requires a licence from the Central Government. The licence is written permission to manufacture specific products and it may include such conditions as the location of the undertaking and its capacity.

The licensing procedure provides for the issuance of a "letter of intent" where foreign collaborations approval or capital goods clearance is involved. A letter of intent is a commitment on the part of the government that a licence will be issued after the applicant fulfills the foreign collaboration arrangements for the import of capital goods, issue of capital and phased manufacturing programmes.

Foreign investments in India are not normally allowed unless accompanied by some form of technology transfer. Guidelines for foreign investment follow the provisions under the Foreign Exchange Regulation Act (FERA) and normally permit a maximum of 40% foreign equity participation, although more is permitted in high technology and export industries. Upto 100% ownership is permitted only for businesses which export their entire production, and in the case of banks, airlines and shipping companies, full foreign ownership is allowed on a reciprocal basis for Indian companies operating overseas.

A public company may make an issue of capital under the Capital Issues Control Act 1947, without the consent of the central government if the issue is not in excess of $ 700,000 (Cdn) in a 12 month period, and the securities are issued at par and not at a premium or discount. A private company is not required to obtain any consent for the issue of securities. All applications for the issue of capital, giving the prescribed information are to be made to the Controller of Capital Issues in the Ministry of Finance (Department of Economic Affairs), New Delhi, and to the Securities and Exchange Board of India.

A certificate is granted by the Registrar of Joint Stock Companies after all the requirements regarding registration, and matters under the Companies Act of 1956 have been satisfied.

It is to be noted, that the central government has considerable control over the affairs of companies in India.

i. Taxation and accounting

Taxation: Foreign companies are operating in India with effective tax rate as low as in USA and Europe. While Indian corporate tax rates are higher on paper, liberal tax incentives offered by the Government can substantially reduce the effective tax rate.

All companies (including foreign companies) are taxed at flat rates, which vary depending on residential states, class of company, nature of income and whether the company is closely or widely held. Companies are further divided into domestic or non-domestic categories. A domestic company is any Indian or foreign company which has made the prescribed arrangements for declaring dividends in India. The tax rate for domestic companies varies from 40-50%. In addition there is a surcharge of 8%. Following are the rates of income tax for foreign companies (non-domestic companies).

Rates of Income Tax for Foreign Companies	
	percent
Dividend income	25
Income from royalties or fees for technical services for approved contracts (including lumpsum payments)	30
Interest income from foreign currency loans	25
Profits and gains derived from prospecting for or extraction/production of mineral oils under agreements with the central government	55
Any other income	65

A host of tax concessions and incentives exist in in India, which include tax holidays for new industrial undertakings or for firms located in India's 6 export processing Zones (EPZ), substantial investment and depreciation allowances, tax concessions for locating in designated backward areas, deductions for scientific research and export oriented companies are free of income tax.

For the current financial year (1991-92) the rate of surcharge on income tax has been raised from 8 to 15 percent in the case of domestic companies and also non-corporate assessees whose income exceeds on $5,000 p.a. Deduction for depreciation in the current accounting year has been restricted to 75%. In 1985, Canada and India signed a 5 year treaty to avoid double taxation in both countries.

Accounting System in India: Book keeping for a business concern in India has been developed on the lines of the system followed in the U.K. The maintenance of Books of Accounts is governed by the Indian Companies Act 1956. A limited company must appoint a company secretary, and its books of accounts have to be audited by a Chartered Accountant, the audit of which is governed by Institute of Chartered Accountants of India (ICAI). For companies incorporated in India the accounting year is from April 1st to March 31st.

j. Financial institutions

Long term finance for capital investment in industrial and infrastructural projects in India is provided by development banks, while working capital needs are met by commercial banks. Development banks in India can be divided into two groups, namely All India Financial Institutions (AIFIS) and state level financial institutions.

All India Financial Institution (AIFIS) provide direct assistance for medium and large scale projects with capital investment of over Cdn $ 2 million. They also provide indirect assistance to small projects by way of refinancing loans and rediscounting deffered payment guarantees given by the state level financial institutions and commercial banks. Among the AIFIS are Industrial Development Bank of India (IDBI), The Industrial Finance Corporation of India (IFCI) and Industrial Credit and Investment Corporation of India (ICICI). IDBI is wholly owned by the Government of India, IFCI is 50% owned by IDBI, and ICICI is a public limited company supported by the World Bank.

The state level financial institutions include State Financial Corporations (SFCS) and the State Industrial Development Corporation (SIDCS). SFCS have been set up in various states to cater to the financial needs of small and medium scale units. SIDCS/SIICS promote medium/large industrial ventures, and are wholly owned state government agencies.

There are other financial institutions engaged in export promotion and investment activities. The Export-Import Bank of India (EXIM Bank) finances and promotes foreign trade. The Export Credit and Guarantee Corporation (ECGC) provides insurance cover to exporters against credit risks, both commercial and political. The Life Insurance Corporation (LIC), General Insurance Corporation (GIC) and the Unit Trust of India (UTI) provide assistance to industrial ventures in consortium with AIFIS.

In the past two decades, India's banking sector has grown remarkably. Commercial banks provide working capital finance for various sectors of the economy, and in accordance with government policy, a portion of the credit is channelised towards priority sectors such as agriculture and small scale industry. The Reserve Bank of India (RBI) is vested with the responsibility for providing operational guidelines to the banking sector.

Commercial banks in India comprise nationalized and foreign banks. The main nationalized banks are State Bank of India, (with branches in Toronto and Vancouver), Central Bank, Bank of India and Canara Bank. The main foreign banks are ANZ Grindlays Bank PLC, Citibank, Hong Kong and Shanghai Banking Corporation, Standard Chartered Bank, American Express Bank, Bank of America and Canada's Bank of Nova Scotia. Indian Government policy towards new foreign banks entering the country has been rather restrictive. Several banks have recently entered into new areas such as leasing, credit cards, travellers cheques, mutual funds and other financial services.

k. Patents, trademarks, copyrights and designs

Patents: India is not a member of the International Union of the Protection of Intellectual Property. Protection of patents in India is governed by the Patents Act of 1970. Patents are normally granted for a period of 14 years.

Trademarks: The Trade and Merchandise Marks Act of 1958 applies here and only first users may register trademarks. Protection is given for 7 years, renewable indefinitely for periods of 7 years.

l. Foreign Engineers, Technicians and Managers

Indian law permits the employment of foreign technicians on tax-free terms under certain conditions. All expatriates intending to work in India must obtain work permits from the Reserve Bank of India, which will require prior approval from the ministry concerned, generally the Ministry of Industry. These formalities should be completed before the worker arrives in India on contract:

The engagement of foreign technical experts by Indian companies will be subject to the following conditions:

— The total duration of the engagement should not exceed 12 man - months.
— Payment towards fees and remuneration is not to exceed US $ 500 per day. A company may meet additional expenditure in Rupees towards board and lodging.
— The total payment to a foreign company not to exceed US $ 50,000 in a calender year for such services.

The Government of India has decided to permit companies which hold blanket exchange permits issued by the Reserve Bank of India, to use them for meeting the expenditure of engaging foreign experts.

m. Labour costs and unions

India's workforce accounts for about 40% of the total population. The cost of living in India is amongst the lowest in the world. Average wage rate for skilled labour is under $100 (Cdn) a month & well qualified senior management personnel costs less than US $25,000 per annum. India has the worlds third largest pool of scientific and technical personnel (after the USA and USSR). This positive factor is nevertheless to be compared with labour efficiency, which tends to be less than in developed countries.

Wages in India are governed by the Payment of Wages Act of 1939 and the Minimum Wages Act of 1948. Most industrial concerns pay wages that are higher than those laid down by law.

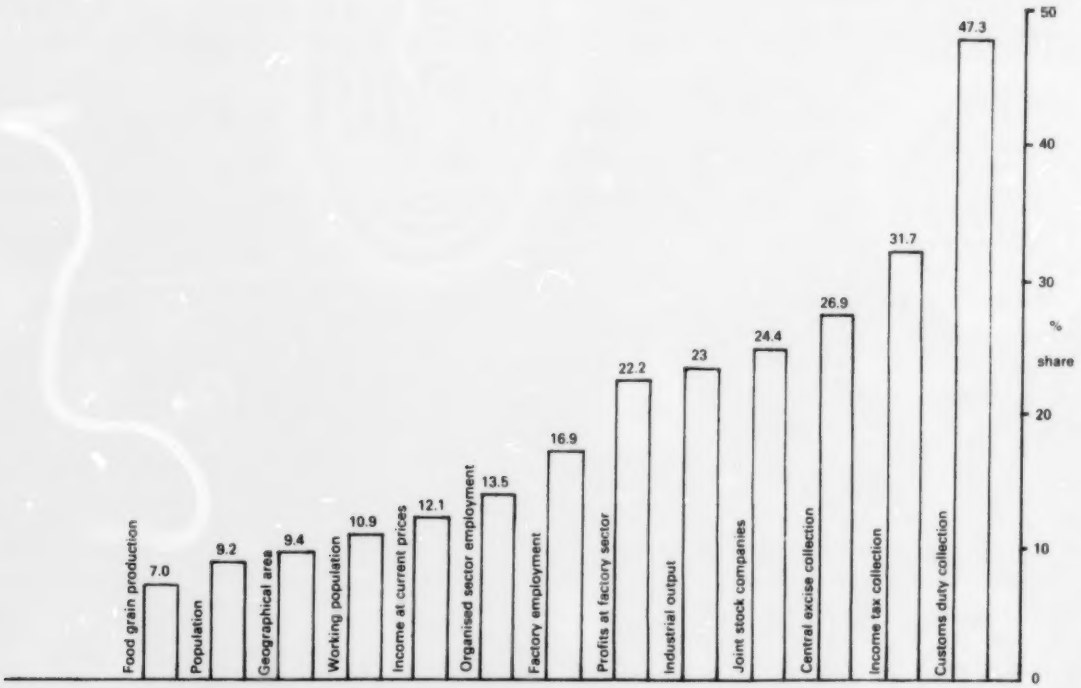
Dismissal without notice is permitted only for misconduct. Companies employing more than 300 workers are not permitted to lay off, retrench or close down without government authorisation. Indian workers have the right to form, trade unions, and most large factories have unions which are usually affiliated with national political parties. The trade union movement is more than 50 years old and is frequently militant. There has been a significant improvement in industrial relations which is reflected by a sharp fall in man days lost, a situation which has contributed significantly towards better performance in the industrial sector.

PART II
MAHARASHTRA, INDIA'S PRIME INDUSTRIAL STATE

Maharashtra, a large state in Western India along the Arabian Sea, has 63 million people whose main language is Marathi. Bombay is the capital of Maharashtra. The state has notable business characteristics:

1. INDUSTRIAL IMPORTANCE AND SPECIALITIES

In respect of industry and finance, Maharashtra ranks first among the states in India. Business and industry are mostly concentrated in the Bombay-Thane-Pune belt of the state. The following chart shows the percentage shares of Maharashtra in India.



As can be seen, even though Maharashtra's share in India's population is 9.2% and in area is 9.4%, its share in the nation's economic and financial indicators is much higher.

Maharashtra's contribution in India, by major industry groups (1982-83) is indicated in the table below:

Industry Group	Investment	Employment	Gross Output	Net Value added
Food products	21.5	10.6	18.9	21.1
Beverages, tobacco products etc.	16.7	11.2	14.9	19.9
Cotton textiles	19.0	19.2	14.8	17.0
Woollen, Synthetic textiles	29.5	30.4	32.6	32.5
Jute textiles	0.0	0.0	0.1	0.0
Textile products	20.1	21.4	23.9	20.9
Wood and products	11.0	8.6	11.5	9.9

Table continued....

Industry Group	Investment	Employment	Gross Output	Net Value added
Paper and products	14.2	19.7	24.1	30.1
Leather and products	2.2	2.7	2.8	2.2
Rubber, plastics etc.	18.3	21.1	24.8	22.2
Chemical & chemical products	18.5	23.4	27.3	31.2
Non metallic mineral products	7.9	8.9	9.8	8.8
Basic metals and alloys	6.5	12.8	14.2	11.9
Metal products	36.7	29.6	33.7	39.5
Non-electrical machinery	26.1	24.2	30.1	30.4
Electrical machinery	18.7	20.5	23.3	24.0
Transport equipment	35.6	21.7	33.1	28.0
Other Industries	24.2	27.2	34.4	27.2
Electricity	15.2	10.5	20.3	14.0
Gas and water works	25.3	11.4	19.4	13.4
Cold Storage	3.9	1.3	4.9	4.7
Repair services	18.9	15.4	25.6	19.6
All industries	17.1	16.1	22.0	21.6

Maharashtra has made great strides in the fields of oil and gas. The spurt in India's crude oil output to 28.99 million tonnes in 1984-85 from 11,77 million tonnes in 1979-80 was mainly due to the valuable contribution of Bombay High. The Oil and Natural Gas Commission (ONGC), owned by the Government of India, is concentrating its exploratory efforts in the areas adjoining Bombay High. The major highlight of ONGC's exploration and production activities was the commencing of production in September 1988, in India's largest gas field, South Bassein in Bombay. In the 8th Plan period (1990-95), a significant portion of equipment and service contracts are expected to be awarded to non-Indian companies.

The Maharashtra Government has shown keen interest in the growth of the electronics industry in the state and has approved the development of special zones for the electronics industry at Nagpur, Pune and Aurangabad. The Maharashtra Electronics Corporation (MELTRON) provides the necessary bridge between industry and government to solve problems and provide necessary services to small units.

Chemical and other polluting industries in Maharashtra, are considered for location in the industrial areas having chemical zones. Since all these units are along the coastline of the state they after scope for treatment and disposal of effluents.

Due to the increasing demand for petro - chemicals, two gas cracker complexes in Maharashtra (one each in the Private and Public sectors) are amongst the projects to be implemented during the seventh and eighth plans (1985-95).

A number of projects are being promoted by the Government of Maharashtra, to cope with the ever increasing demand for electricity, according a very high priority to the power sector. In the seventh plan (1985-90) out of a total plan outlay of Cdn $7000 million, 30% was on power. It was proposed to add 2337 MW, during the 7th plan, comprising 1482 MW of thermal power by MSEB, 500 MW by the Tata Electric Company, and 355 MW of hydro power. Maharashtra is known for relatively stable and reliable power supply. The private sector has a significant share in the power generation in the state.

The potential mineral bearing area in Maharashtra is about 12% of the total area of the state. The important minerals occuring in the state are iron ore, coal, manganese ore, silica, sand, delomite, bauxite, kyanite, sillimanite and limestone. The total estimated reserves in million tonnes for some important minerals are as follows: coal 5000, limestone 4000, bauxite 68, and silica sand 48.8. The production of coal, iron ore and limestone has gone up considerably in the state in the past few years. Mining and quarrying is expected to grow at a rate of 3% from 1970-2001, in Maharashtra.

The high-potential industries in Maharashtra are as follows. Among the agro-based industries they are paper from bagasse, alcohol from molasses, rice bran oil, paper board, solvent extraction, paints and

varnishes, chemicals, surgical cotton etc. The forest based industries include saw milling, plywood and vaneer, clip boards, hardboards, essential oils etc. Among the mineral based industries ferro-manganese, caustic soda, cement, aluminium, pig iron, coal carbonisation, fertilizers, electrolytic manganese, ceramics, titanium oxide, dyestuffs and intermediates and downstream industries using inputs available from the Maharashtra gas cracker project offer scope. In the engineering sector, semi-finished engineering goods, steel tubes and pipes, alloys, castings, forgings, press-work, agricultural implements, industrial machinery, structurals and transport equipment provide opportunities. Chemicals and pharmaceuticals have seen the most rapid growth in the state during the last two decades. Among the sunrise industries, electronic goods, computer peripherals, plastics, synthetic fibres, food processing, beverages and export oriented industries indicate potential in Maharashtra.

2. INFRASTRUCTURE

Ports, harbour and inland water transport:

Maharashtra has a coastline of 720 kilometers. It is served by two intermediate ports namely Ratnagiri and Redi and 46 minor ports, from Dahanu in the north to Kiranpani in the south. Of these, six ports handle passenger traffic. The country's most modern port Nhava Sheva in Bombay started functioning in May 1989. In 1985-86 cargo and passenger traffic handled by these ports was imports 306 thousand tonnes, exports 1,293 thousand tonnes, passengers 1.3 million. There are about 9 major creeks in the state which are navigable and offer a vast potential for the development of inland water transport in the state Airports.

Airports:

Bombay has both an international aiport linked to all major countries in the world and domestic links to all major cities in India. Several foreign air carriers operate through Bombay. Nearly 60% of international tourists to India visit Bombay.

Telecommunications:

A network links Bombay to more than 400 cities in India on subscriber trunk dialling (STD) while 18 cities in Maharashtra are connected to 151 countries on I.S.D. Telex and telegraph services link many villages and districts.

3. BOMBAY, CAPITAL OF MAHARASHTRA

a. Size and trading communities:

With an area of 603 square kilometres and a population of 9 million, Bombay is the gateway to commercial and industrial India. The population of Bombay is close to the entire population of the Province of Ontario and is projected by the UN to double to 16 million in 2000. It is one of the ten largest cities in the world.

Bombay is the most cosmopolitan and sophisticated city in India. The main trading communities here are the Gujaratis, Sindhis, Parsees, Marwaris and Punjabis.

b. Characteristics, Strengths and Specialities:

Bombay is India's commercial and financial nerve centre. Bombay provides 32% of Indian government revenue, which also accounts for 25% of India's industry, 10% of the nation's industrial jobs and 50% of India's customs and excise revenue. Bombay has the highest concentration of industries in the state, it provides 60% of the factory employment and accounts for almost 3/4 of the total output and value added by manufacturing in Maharashtra. Bombay has more than 5000 industries of large and medium size and about 10,000 small scale establishments.

Historically, Bombay's major industry has been textiles but new industries have emerged in the last few decades with increased industrialisation, providing goods such as metal and rubber products, footwear, paper products, tobacco, beverages, vegetable products, petrochemicals, paints, varnishes and engineering and electrical equipment. Engineering goods are manufactured in the Greater Bombay-Thane belt. A large number of defence and public sector organisations are located in Bombay. It is the Indian Navy's largest operational base and is also the major trading centre for diamonds in India.

The discovery of off-shore oil and gas near Bombay High, in the Arabian Sea off Bombay, was a major milestone in the country's industrial history. The value of production of crude petroleum produced at Bombay High annually is 69% of India's total. This has opened new vistas in the industrial realm of Maharashtra and further enhanced the development of the petrochemical and organic-chemical industries of the region.

High technology has come to Bombay in a big way. Computers, electronics, telecommunications, and related high tech products and services are increasing everyday. Bombay possesses a unique free trade zone exclusively devoted for electronics assembly and exports — known as the Santacruz Electronics Export Processing Zone (SEEPZ) established in 1974. During 1987-88 however, a gems and jewellery complex was also established in the zone. In 1987-88 number of operating units increased to 87, with 79 units in the electronics sector and 8 in the gems and jewellery sector. Electronics exports at Cdn $114.4 million constituted about 93% of the zones total exports, leaving the balance of 7% for gems and jewellery.

The overall trade in the city is estimated to be over CDN $16.5 billion annually. The World Trade Centre, belonging to the World Trade Centres Association, began functioning in Bombay in 1978. Diverse business interests are represented by major chambers of commerce and associations: Indian Merchants Chamber, Bombay Chamber of Commerce, and All India Manufacturers Organisations, for example.

Bombay port, the largest in India, handled maritime trade of 24.9 million tonnes in 1985-86. 21% of all India Shipping Cargo. A major step towards modernization of Bombay port involves containerization. Bombay's share in container traffic is equal to the combined traffic in containers of all the other Indian ports. Bombay docks cover an area of 283 hectares with Mazagaon Docks as the major ship building area. In the area of shipping, Bombay is well serviced by international shipping lines including the Shipping Corporation of India's service to Canada.

Bombay has excellent public relations and advertising agencies. There are over 150 well-established advertising agencies operating in India, almost half are located in Bombay. Bombay offers good consultancy service. 88 joint venture companies, headquartered in Bombay provide technical know-how and consultancy services to several countries in Middle East, Africa and Far East.

The Bhabha Atomic Research Centre at Trombay near Bombay is the single largest scientific research establishment in the country. All the research and development of the application of atomic energy is done at this centre.

Bombay is one of the largest consumer markets in Asia. It's density of population at 14,096 per sq.km. is the highest in the world. Metropolitan Bombay has 1% of India's population but 11% of India's automobiles.

Bombay is a very important centre of education in India. Some 68% of Bombayites are literate compared to all India average of 57%. It is also a media and creative arts centre with the largest film industry in the world. The city has excellent theatres, recreational facilities and clubs.

c. Financial and capital market:

Bombay is the financial heart of India, home to the headquarters of the central bank — The Reserve Bank of India. The five largest government owned commercial banks have their headquarters in Bombay. Six key financial institutions — Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), Industrial Development Bank of India (IDBI), Industrial Credit and Investment Corporation of India (ICICI), Export Credit and Guarantee Corporation Ltd. (ECGC) and Export-Import Bank of India (EXIM Bank) operate from Bombay. Almost a dozen foreign banks have full fledged operations in Bombay, including Canada's Bank of Nova Scotia. By 1972, 70% of India's bank deposits were held by banks with head offices in Bombay.

Bombay also boasts one of the largest stock exchange in India. The Bombay Stock Exchange's daily turnover is around Cdn $125 million, accounting for almost two thirds of the total business conducted in the country's 16 stock markets.

Merchant banking divisions, centred in Bombay, are involved in management of share issues and finance syndication for domestic projects and services such as preparation of pre-investment feasibility studies, arranging export credit in foreign currencies and advice on financial structuring of overseas investment.

d. Decision making:

Bombay has, over the years developed into an important centre for decision making. Many companies have their factories throughout India, but their head office and main decision makers are in Bombay.

Of the 30 largest Industrial houses of India, 16 have their headquarters in Bombay. A large number of multinational corporations or their subsidiaries have their corporate head offices in Bombay. One-fifth of the 54 India-Canada collaborated units are located in Bombay area.

Bombay is a city bubbling with economic activity and offers tremendous opportunities for trade and investment.

4. PUNE, IMPORTANT INDUSTRIAL CITY.

The Pune region ranks next only to the Bombay region in industrial development in Maharashtra.

The Pune district has benefitted primarily because of its proximity to Bombay, excellent educational and cultural environment, pleasant climate, rail, air and road linkages and abundance of technically qualified and skilled manpower. Hindustan Penicillin factory (a public sector unit), a state transport workshop, army and airforce units, broadcasting station, T.V. centre, university, National Chemical Laboratory are all located in the district. An electronics industrial estate is also located at Pimpri-Chinchwad. Telco, Bajaj, Kirloskar and many other big corporate names have put up plants in the Pune district. The district offers scope for expansion into practically all industry groups. Specific industries having good potential include dairies, cattle breeding, poultry, cattle feed, starch, paperboard, food, fruits and vegetable processing, soyabean oil and meal, canning and packaging material, sugar and byproducts, alcohol based industries, industrial machinery, engineering and automobile ancillaries, electrical goods and electronic items.

PART III
GUJARAT, INDIA'S MOST ENTREPRENEURIAL STATE

Gujarat is the second leading industrial state in India, with a growth rate that has accelerated from 3.4% in the 1960's to 5.9% in the 70's and to 8% in the 1980's. The factors and forces which have provided the momentum to growth are a vibrant economy, business acumen, entrepreneurial ability and a peaceful and productive labour force. Also the per capita income in Gujarat is higher by 10% vis-a-vis the Indian national average. Gujarat ranks first among all Indian states in per capita investment in mining and manufacturing projects. In respect of project finance sanctioned during 1988-89 by all India Financial Institutions, Gujarat is leading. Gujarat now has 12% of the country's factories with 9.5% of the country's labour working in them to provide 10.5% of the output and 9.5% of the value added.

1. CITIES:

Gujarat can be divided into 4 regions, with a district historic and economic basis. The main region is the mainland corridor; comprising.

— Ahmedabad and Gandhinagar districts.
— Vadodara (known also as Baroda)
— Surat.
— Kheda, Bharuch and Valsad.

The region between Ahmedabad and Bombay has the strongest economic base in Gujarat and is fully developed. The capital of Gujarat is the modern city of Gandhinagar, a 45 minute drive from Ahmedabad. Baroda possesses the more high tech forward looking business community while Ahmedabad remains the centre of more established traditional industry like textiles.

2. KEY SECTORS AND PROJECTS

In Gujarat the industrial structure has unitnessed substantial diversification and the textile dominated industrial base has been widened to produce the following items. Figures indicate the states share in the national income — Sugar (5.5%), Cement (6.6%), LPG (10%), Paper and paper board (10.7%), Caustic Soda (12.3%), Sulphuric acid (25.6%), Cotton cloth (27.8%), Viscose filament yarn (46.3%), VAT dyes (56.2%), Phosphate and fertilizers (56.6%), Nitrogenous fertilizers (62.6%), Salt (64.6%), Azo dyes (90%) and Soda ash (96.4%). Landmarks of Gujarat's progress on the industrial front are as follows:

Gujarat has emerged as a major producer of oil and gas in the country. Recent discoveries of the oil and gas fields of Gandhar and the increased activity in the oil fields in North Gujarat will further add to the availability of oil and gas in the state.

Gujarat today accounts for 15% of the productions of chemicals and allied items in the country. India's largest petrochemical complex of IPCL, and Gujarat refinery are located near Vadodara. A second major petro-chemical complex is under development at Hazira near Surat.

The first state sector fertilizer complex, Gujarat State Fertilizers Company Ltd., has become the largest fertilizer and petro-chemical complex in this region. Gujarat Narmada Valley Fertilizers Co. Ltd. is another state sector project. KRIBHCO a fertilizer project with an investment of $6.7 billion (cdn) has come on stream at Hazira near Surat. Other important projects coming up at Hazira include the units of Larsen and Toubro, Essar Gujarat, Reliance Industries, GAIL and ONGC.

Hindustan Motors has to its credit the first major automobile project in Gujarat to produce commercial vehicles in collaboration with Isuzu of Japan at Halol near Baroda.
In the electronics sector, Gujarat offers a special package of incentives for units being set up anywhere in the state. A major estate for electronics has been established by the Gujarat Industrial Investment Corporation Limited (GIDC) at Gandhinagar. Five locations have been designated as "electronic estates"

The dairy industry with projects worth millions of dollars has its headquarters in Anand, Gujarat where the National Dairy Development Board operates. There are 13 processing plants in the state with a capacity of nearly 3 million litres of milk per day.

Gujarat Agro Industries Corporation has set up projects to process various agro products, fruits and manufacture pesticides.

Gujarat contributed a large share in the polished diamond exports of $28 billion (cdn) in 1988-89. The state government provides special incentives for setting up diamond cutting and polishing units in Ahmedabad.

Gujarat has a good ceramic industry and some of the units have started using the latest technology in production.

Over 40% of India's dyestuffs are produced in Gujarat. The basic infrastructure at Vapi, Ankleshwar, and Panoli facilitate setting up of these plants.

Gujarat's share in the country's production of drugs and pharmaceuticals is around 33% and is likely to receive a boost in the next decade.

The production of textiles and other related items still form 33% of the industrial production of Gujarat. Surat city has emerged as a major manufacturer of art silk fabrics.

A major tyre project near Vadodara and more than half a dozen projects to manufacture flat glass, speciality chemicals, nylon yarn, alfa olifines at Vatra near Bharuch are recent additions to the state's economy.

The avenues of growth in the engineering industries in Gujarat are in the fields of machine tools, piston rings, pins, auto parts and precision engineering products.

3. INFRASTRUCTURE:

Ports: Gujarat has one third of the coastline of the country (1500 kms). There are as many as 40 ports of which Kandla is the major one.

Aviation: The main airport is Ahmedabad which is connected with Bombay, Jaipur and Delhi by daily flights.

Free trade zones: The Kandla Free Trade Zone (KFTZ) is the largest in the country. It is located in coastal Gujarat. KFTZ has an area of 700 acres. Exports from here were cdn $181.1 million in 1988-89. KFTZ products are exported to over 50 countries, but USSR is the main market. Goods manufactured here vary from readymade garments to engineering, chemicals, plastics, sports goods and perfumes.

Industrial Estates: GIDC estates at Ankleshwar, Panoli and Vapi are major chemical estates, where leading companies have established their manufacturing facilities. With more than 171 industrial estates, GIDC offers entrepreneurs support and counselling.

PART IV
GOA, NOT JUST FOR A HOLIDAY

Goa, a former Portuguese colony, lies south of Maharashtra and became the 25th state of India in 1987. It's one million people, on a small coastal territory of 3,702 square kilometres, speak Konkani and Marathi. The state capital of this tourist destination is Panaji.

1. SECTORS:

Goa is very rich in mineral wealth consisting of iron ore, manganese, ferro-manganese, bauxite, and silica sand. The mining industry contributes substantially to the economy of the state. In India, iron ore produced during 1988-89 was 48.9 million tonnes, of which Goa was the major iron ore producing state, contributing nearly 25% of the total output.

From mining alone, the industrial activity of the territory has diversified into tourism, electronics, automobile accessories, pharmaceuticals, and agro-chemicals.

The state of Goa with its pollution free environment, international sea and airports and excellent infrastructure, offers itself as an ideal state for the establishment and growth of the electronics industry. The Government of Goa has declared the state an "electronic state" and established an "electronics city", An estimated $26.7 million (cdn) is being invested to develop the basic infrastructure and common facilities for the electronics city. An almost equal amount will be invested to develop it into a growth centre.

Goa has made strides in tourism. It provides an ideal location with lush green fields and miles of Golden sand and beaches. It has scenic surroundings and the country's best climatic conditions with
Maximum temperature (May) 33.5 degrees C.
Minimum temperature (January) 20.9 degrees C.
Monsoon June-October

The state offers a choice of modern urban amenities including moderately priced to luxury 5 star hotels.

For centuries Goa has featured as a port-of-call on the trade-rich east-west routes. During the late 19th century, the foundations of Mormugao harbour were laid. Mormugao port, the major cargo port of Goa handles mostly iron ore but also handles general cargo. Imports handled range from chemicals, fertilizers and cement to food grains, machinery and logs, while exports were mainly oil cakes, sugar, shrimps, alumina besides iron ore. There has been a steady increase in the tonnage of global traffic handled by the Mormugao port, especially in the last 15 years. Currently the main trading areas are Japan, South Korea and Taiwan in S.E. Asia, Romania and Poland in East Europe, U.K., Italy and Germany in West Europe, U.S.S.R., U.S.A. and several countries in Africa and Middle East.

2. INFRASTRUCTURE:

Ports: Panaji and Mormugao are the two main ports in the state.

Aviation: Bombay, Delhi, Belgaum and Bangalore are air linked to Dabolim airport through Indian Airlines services. Since Air India operates flights to the Gulf and Europe from Dabolim, Goa is now on the international map.

Part V
HOW TO DO BUSINESS IN WESTERN INDIA.

1. OPTIONS TO FOREIGN COMPANIES:

There are five major options open to foreign companies in India.
— Direct sale of products/services generally through global tenders issued by Indian buyers.
— Sale of products in India through an Indian agent.
— Complete or partial turnkey contracts for Indian projects
— Technical collaboration or sale of expertise
— Manaufacture in India

The factors to be considered with any of these five options is tabled below.

a. Direct sale of products and projects

Imports of capital goods into India are restricted and generally depend on the availability of the equipment from indigenous manufacturers for import control purposes. Industries/projects are divided into 3 groups.

(1) **World Bank assisted projects**: the World Bank normally insists on global tenders being floated for projects aided. However, in several cases, it allows the buyers to show a price preference for the local suppliers for up to 15% in the power and oil sectors.

(2) **Key industries**: for 13 turnkey industries, Indian companies are permitted to float global tenders for capital goods, whether they are manufactured in India or not. A government committee evaluates the bids and compares Indian offers with the landed cost of foreign machinery.

(3) **Other projects/industries**: here capital goods fall into 3 categories:
— OGL list (Open General Licence) of items which can be imported without a licence.
— Restricted list of items which are difficult to import.
— Items not on above lists which can only be imported after importer has advertised his requirement and failed to get a satisfactory offer from Indian suppliers.

b. Sale through Indian agents:

A safe though slow approach to getting a foothold in the Indian market is to appoint a sole-selling agent to market your product in India. This is a popular arrangement and many such tie-ups exist for the import of engineering goods, plant and equipment, spares and chemicals. The local agent can advise the principal in the pre-tender period, evaluate final pricing, negotiate and monitor the bureaucratic process.

It is extremely important to choose the Indian partner carefully, based on consideration of relevant experience and competence as well as resources. The latter is particularly important, if after obtaining a foothold, the foreign supplier desires to set up manufacturing operations in India in collaboration with the agent.

c. Technical collaboration:

Technical collaborations can be with or without foreign investment.

Four types of financial returns are enjoyed by foreign collaborators.

Royalty: Royalty ranges from 2-8% on agreement, with terms of 5-10 years computed on the ex-factory price less the landed cost of imported components.

Technical/licensing fee: A lumpsum payment is provided for import of drawings and documentation. It varies from case to case. As a general guideline, payment of lumpsum and royalty does not exceed 7-8% of total expected sales during the period of agreement.

Dividends: A foreign company share holder can receive dividend on his company's after tax profits.
Equipment and components: A collaboration usually entails sale of equipment to start with and the supply of components thereafter. This is usually the largest source of income for the foreign partner.

d. Manufacturing in India

The options for the foreign investor are as follcws:

Joint venture: when an Indian promoter is involved the company thus formed is popularly known as a 'Joint Venture'

Foreign investment with Indian public participation: When a foreign investor does not wish to involve an Indian partner, however he has to offer 60% of the equity to the public.

Foreign investment only: This option is open to those foreign investors who commit to export 100% of their production.

2. PROBLEMS OF DOING BUSINESS IN INDIA

India has to be approached with an open mind. Some of the likely problems faced by foreign companies in India are as follows:

— The population consists of a large number of communities having different cultures and speaking different languages. There is no one uniform way of communicating with them. However, English is widely spoken.
— Transport infrastructure is not adequately developed
— Communication facilities are not as well developed as in advanced countries
— Power supply is still inadequate in most parts of India
— Port facilities need further improvement.
— There are bureaucratic delays in working with the government sector. Project clearance still averages 1-3 years. The Indian economy continues to be seen as slow, complex, inward looking and protectionist.
— Though cheap labour is easily available labour efficiency is low.

For a Canadian company considering entry into the Indian market, there are 3 basic requirements: a market niche, an agent and perseverance.

3. HOW TO BE SUCCESSFUL IN INDIA

India offers excellent opportunities to the foreign companies provided they learns to adapt their style to the Indian environment. Some tips on doing business in India are as follows:

— Approach India with an open mind. Learn about Indian government policies and Indian business environment
— Define carefully actual market potential and possible targets through a market survey
— Assess clearlv the commercial costs involved and compare them with expected returns.
— Take a long term view of the involvement in India. In general, companies which have approached India as a permanent place to conduct business are very positive about their experience here
— Be prepared to accept the Indian regulatory framework.
— Recognise the importance of finding a good partner. The choice should not be made in haste.
— Be flexible and accommodating during the negotiations.
— Offer competitive technology package with close technical follow-up.
— Be patient.
— Visit India for there is no substitute for a personal visit. Most businessmen who go to India for the first time are pleasantly surprised and come back with contacts and business potential which they had not expected. The fullest possible use should be made of the services provided by commercial division of the Canadian High Commission in Delhi and the Consulate of Canada in Bombay.

PART VI
YOUR BUSINESS VISIT TO INDIA

1. TRAVEL AND COMMUNICATION

There are 4 international airports and 85 other aerodromes in India. The international airports are in Bombay, Calcutta, Delhi and Madras. Indian air services are provided by 3 airlines: Air India, Indian Airlines and Vayudoot. Air India provides international services. Almost all cities of tourist or business importance are connected by jet flights. The fare structure is one of the cheapest in the world. Vayudoot provides domestic services to smaller cities.

India has several major ports on both the west and east coasts. Bombay is the largest and busiest, followed by Madras, Calcutta and Kandla.

The Indian railway system is the largest in Asia and the second largest in the world under a single management. However, this network, more than a century old, is seriously in need of upgrading.

The Indian road network is one of the largest in the world, however roads tend to be congested and in poor condition.

A towns and many villages are connected by bus services run by state governments. Though the fares are cheap the vehicles are crowded and this mode is not recommended for visitors. However, long-distance air conditioned coaches are increasingly available for getting to popular destinations.

All major cities and towns of India have telephone systems, although they operate with varying degrees of efficiency. Telephone rates are not very high, although calls from hotels can be expensive. All state capitals are linked with Delhi by direct dialing system, and direct dialing facilities are available to most countries world-wide. The entire country is covered by a postal and telegraph system and most major towns are linked by telex.

2. TIPPING

Tipping in India is a way of getting things accomplished. If you are going to be using a service repeatedly, tipping will ensure better service.

Tip porters 10 rupees. In hotels and restaurants leave 10%, unless a service charge is included in the bill in which case tipping is optional. Taxi drivers can be given 10% of the fare, though this is not obligatory. Do not offer money to beggars. As a rule of the thumb — someone who approaches and offers help wants a tip.

3. HOW TO STAY HEALTHY

Before coming to India, it is recommended to have hepatitis, cholera, typhoid, polio and tetanus innoculations. A certificate of vaccination against yellow fever is required for those entering India but they are not valid until 10 days after vaccination.

While in India, certain precautions should be taken with food and drink:
Avoid unboiled drinking water, ice, salad, icecream from vendors, or any other uncooked or undercooked food. All meats should be well done. Although India offers a variety of exotic fruits and vegetables, it is advisable to eat only those which can be peeled. Food from street vendors should not be eaten. First class hotels and restaurants are recommended as safe eating places. Be agressive about keeping away flies.

The risk of developing malaria is great in India. Anti-malaria pills should be taken on a regular basis. Rabies is common in India. Unnecessary contact with stray dogs, monkeys and small wild animals should be avoided.Perhaps the greatest hazard to travellers in Asia as road accidents.Use extreme care in driving and do not hesitate to caution reckless taxi/scooters/bus drivers.

4. INDIAN CUISINE AND PROHIBITION:

Indian food is varied and highly spiced. The curries of the south are much hotter than those of the north. Nan (Indian bread) or rice are traditional accompaniments to Indian curries. Good Indian food is available in all first class hotels and restaurants.

In some parts of India it is necessary to possess liquor permits before ordering and consuming alcoholic beverages. Liquor permits are freely available to visitors on arrival.

5. SOCIAL AND BUSINESS CUSTOMS:

Some business practices common in India are
— appointments should be made by telex or telephone.
— morning appointmens are preferred
— business cards should be presented before meetings
— local business and government representatives prefer to deal with their prospective clients personally.
— try to match the visitors status to the host's status in organisations, so that the senior people meet senior people and technicians meet technicians.
— be punctual though a short 15 minute wait is normal.
— use surnames in business dealings
— regular follow up correspondence is recommended
— luncheon appointments are common, dinner invitations are extended only after a relationship has been formed.

Indian social customs:
— the people of India have many diverse and strong beliefs, hinging on their religious convictions
— cows are sacred to Hindus, they do not eat beef and most are vegetarians.
— the majority of Hindus, especially women, do not consume alcohol
— women do not shake hands — the correct greeting for women is the 'namaste' accompanied by a gesture of the hand, similar to that adopted in prayer. If the meeting takes place in a westernized setting, men and women do shake hands
— Sikhs and Parsees do not smoke tobacco
— Muslims do not drink alcohol or eat pork and during Ramadan, do not eat or drink between sunrise and sunset.
— when visiting holy shrines or mosques, dark clothes that are not revealing should be worn. Shoes must be removed

6. HOURS OF WORK

Most private offices in India work from 0930 hrs through 1730 hrs, with an hours lunch-break usually from 1300 hrs to 1400 hrs. Most government offices work from 10.30 a.m. to 6.30 p.m. with an hour's lunch break. Banks are usually open to the public between 11 a.m. to 3 p.m. Monday through Friday and from 11 a.m. to 1 p.m. on Saturdays.

The normal work week is five and a half days, Monday through Saturday. A 5-day week is also prevalent in many offices, including those of the central government.

7. CLIMATE

The yearly Indian seasons are winter (December-February) Summer (March-May) Monsoon (June-September) and post Monsoon (October-November). Although India is classified as a tropical monsoon country, the climate is varied, the common factor being the monsoon from June to September, when there is torrential rain in many parts of the country. Temperatures in Bombay vary from 20°C in January to 34°C in May, while in Delhi it can vary from 5°C to 45°C.

8. DRESS

Clothing should be light and loose-fitting throughout the year in most parts of India. Cotton clothes are recommended. The northern winters are cold and require woollen clothing for 2-3 months of the year, but

the climate in the south and west is tropical throughout the year.

Most formal functions like lunches/dinners/cocktail receptions would mean wearing formal dress which could be a coat and tie, or a suit or safari suit, which is increasingly acceptable in Bombay due to the humid weather.

Dress should be informal at private parties or dinners. Ladies may wear comparable western dress.

The common work clothes for executives are a shirt, tie and slacks.

9. MAIN BUSINESS MAGAZINES, TRADE JOURNALS AND ADVERTISING AGENCIES

More than 12,000 newspapers and periodicals are published in India. The major national newspapers include The Times of India, The Statesman, The Indian Express, Hindustan Times, and the Independent. Important periodicals include The Illustrated Weekly of India, India Today, Business India, Business World, Industrial Products Finder, Chemical Products Finder, Electronic Products Finder, Chemical Engineering World, Plastics News, Indian Industrial Sources, New Projects, Dataquest and Corporate Pathfinder's Data Base.

A good agent is able to advice an effective advertising techniques as well as the capabilities of local advertising agencies. There are over 150 well-established advertising agencies operating in India, almost half are located in Bombay. It is reasonable to expect the manufacturer, not the agent, to bear the cost of any appreciable local advertising. Some important advertising agencies are Grant, Kenyon and Eckhardt Advertising and Marketing Ltd, Bombay. Clarion Advertising Services Ltd, Bombay and Hindustan Thompson Associates Limited, Bombay.

10. OTHER MARKET INFORMATION SOURCES.

Additional informations about trade and investment can be gained from the World Trade Centre, Bombay, Indian Merchants' Chambers, Bombay, Industrial Credit and Investment Corporation of India Ltd, Bombay and Maharashtra Economic Development Council, Bombay. Some of these units have very well equipped libraries for up to date information.

Some important publications include Stock Exchange Official Directory published from Bombay and Kothari's Industrial Directory of India, published from Madras.

CONCLUSION

India, the largest democracy in the world, is strategically placed in the Indian Ocean and has developed into an economic and military regional superpower. With political stability, a trend towards economic liberalisation and a large market, it offers the Canadian exporters an outlet of considerable potential. Western India, well connected by sea and air, is the economic and business centre of modern India, and an ideal place to start business dealings with India.

PART VII
APPENDIXES
Appendix I — CANADIAN EXPORTS TO INDIA

(cdn $000')

	1988	1989
Potassium Chloride in packages weighing more than 10 kg	40,171	34,107
Sulphur, crude or refined	13,821	31,667
Asbestos	30,571	29,096
Chemical wood pulp, soda or sulphate, coniferous, semi or bleached, nes	26,596	20,184
Flat rolled prod. i/nes in coil	—	17,777
Semi-chemical wood pulp	3,801	15,288
Flight simulators and parts thereof	10,686	13,224
Chemical Wood pulp, dissolving grades	4,238	10,467
Machines & Chemical appliances nes.	943	9,766
Newsprint, in rolls or sheets	56,099	7,133
Parts of diesel and semi-diesel engines	507	6,288
Polyethylene having spec. grav. less 0.94	792	5,564
Naphthalene	5,043	4,314
Waste and scrap, copper or copper alloy	2,522	4,111
Structures and parts of structures, i or s (excl) prefab. bldgs. or head $9406	3,979	3,783
Articles, iron or steel, nes	1,577	3,538
Liq. dielectric trans. having power handling capacity exceeding 10000 KVA	—	3,332
Paper, fine, wood containing, in rolls or sheets, uncoated nes.	2,624	3,256
Locomotive parts nec.	875	2,338
Parts of pumps for liquid	582	2,193
Parts of gas turbines nes.	3,400	1,791
Draw benches for bars/tubes/profiles wire or the like for working metal	—	1,750
Titanium oxides	—	1,609
Parts of Machines & mechanical appl.	1,060	1,606
Mechanical wood pulp	2,691	1,536
Lead ores and concentrates	—	1,529
Turbo-propellers of power	—	1,490
Polypropylene	1,628	1,483
Niabuim, tantalum and vanadium ones & cons.	169	1,422
Steam or sand blasting machines	—	1,272
Special purpose motor vehicles nes.	399	1,244
Parts of boring or sinking machinery	895	1,234
Radio active elements and isotopes nes.	687	1,219
Parts of cranes, work trucks, shovels and other constructions machinery	2,371	1,188
Bars and rods, hollow drill	674	1,145
Polythylene having spec. grav. more 0.94	2,115	1,113
Transmission apparatus for radio-teleph.	287	1,104
Instruments and appliances used in medical or veterinary sciences nes	59	1,063
Motor vehicle parts nes.	1,022	1,055

Table continued...

	1988	1989
Chemical wood pulp, sulphite, coniferous semi-bleached or bleached nes.	4,906	648
Parts of hydraulic turbines & water wheels including regulators	10,088	524
Parts of electric motors, generators, generating sets and rotary converters	5,237	488
Digital process units whether or not presented with rest of system etc.	3,952	70
Towers and lattice masts, iron & steel	3,788	43
Rape, colza or mustard oil crude	48,657	—
Rails, iron or steel	22,073	—
Wheat nes and meslin	8,733	—
Flours and meals of oil seeds or oleaginious fruits, ec. mustard nes.	4,914	—
Standard wire, cables, plaited bands etc. alum, steel core, not elect. insul	4,587	—
Total (including others)	3,93,084	304,200

Appendix II — USEFUL ADDRESSES IN MAHARASHTRA.

Chambers of Commerce and Industry:

1) Bombay Chamber of Commerce and Industry
Mackinnon Mackenzie Building, Ballard Estate, Bombay-400038.
Phone: 264681, Telex: 011-73571

2) Indian Merchants' Chamber
Indian Merchants' Chamber Marg, Churchgate, Bombay-400020.
Phone: 2046633, Telex: 011-5195

3) All India Manufacturers Organisation
Jeevan Sahakar, Sir P.M. Road, Bombay-400001.
Phone: 2861016/1272, Telex: 011-6179

4) Confederation of Engineering Industry
105, Kakad Chambers, 132, Dr. Annie Besant Road, Worli, Bombay-400018.
Phone: 4931790/0565, Telex: 011-75511 AIWR IN

5) Maharashtra Chamber of Commerce
12 Rampart Row, Bombay-400001.

6) The All India Association of Industries
98, Mittal Chambers, Nariman Point, Bombay-400021.
Tel: 2023390, Tlx: 011-2795 NALIN-IN

7) Indian Chemical Manufacturers Association
Sir Vithaldas Chambers, 16, Bombay Samachar Marg, Bombay-400023.
Phone: 2048043, Telex: 011-4649.

8) All India Plastics Manufacturers Association
Jehangir Building, 3rd Floor, M.G. Road, Bombay-400023.
Phone: 273989

9) Computer Society of India
69/A, L. Jagmohandas Marg, Bombay-400006.
Phone: 8125021, Telex: 011-75326

Financial Institutions:

1) Reserve Bank of India (the central banking authority)
New Central Office Building, Shahid Bhagat Singh Road, Bombay-400023.
Phone: 2861602/2860604, Telex: 011-2318/2455

2) Export-Import Bank of India
Maker Chamber IV, 8th Floor, 222, Nariman Point, Bombay-400021.
Phone: 223320

3) Industrial Credit and Investment Corporation of India Ltd.
ICICI Building, 163, Backbay Reclamation, Churchgate, Bombay-400020.
Phone: 2022535, Telex: 011-3062, FAX: 2046582

4) Industrial Development Bank of India
IDBI Tower, Cuffe Parade, Colaba, Bombay-400005.
Phone: 219111/219121, Telex: 011-2193, Fax: 211025.

Banks:

1) Bank of Nava Scotia
Mittal Tower, B Wing, Ground Floor, Nariman Point, Bombay-400021.
Phone: 234824/234812/232822, Telex: 011-4824 BN IN

2) Hongkong Bank (Merchant Banking Division)
314, Dr. D.N. Road, Fort, Bombay-400001.
Phone: 287133, Telex: 011-4647

3) Grindlays ANZ (Merchant Banking Division)
90 M.G. Road, P.O. Box 141, Bombay-400001.
Phone: 270630, Telex: 011-2240

4) Citibank (Merchant Banking Division)
293 D Naoroji Road, Bombay-1
Phone: 254898, 258853

5) State Bank of India
Central Office, Madame Cama Road, Bombay-400021.
Phone: 2045158

Airline Offices:

1) Air Canada
TWA, Amarchand Mansion, Madame Cama Road,
Bombay 400 039.
Phone: 2021111

2) Canadian International Airlines
15, World Trade Centre, Cuffe Parade, Bombay-400005.
Phone: 213647

3) British Airways
202 Veer Nariman Road, Churchgate, Bombay-400020.
Phone: 220668

4) Swissair
Maker Chamber VI, 2 Nariman Point, Bombay-400021.
Phone: 2870122, Telex: 011-2347

5) Lufthansa Airlines
Express Towers, 4th floor, Nariman Point, Bombay-400021.
Phone: 2023430

Government Corporations:

1) Oil and Natural Gas Commission
Bombay Regional Business Centre, Vasundhara Bhavan, Bandra, Bombay-400050.
Phone: 6429901, Telex: 011-71010

2) State Trading Corporation
7th Floor, Air India Building, Nariman Point, Bombay-400021.
Phone: 2026403, Telex: 011-2901, Fax: 91-22-2024856

3) SICOM
Nirmal, Nariman Point, Bombay-400021.
Phone: 2021855, Telex: 011-3066

State Government:

1) Government of Maharashtra, Department of Industries,
Mantralaya, Madame Cama Road, Bombay-400032.
Phone: 2024243 2029617.

Hotels:

1) Oberoi Towers Hotel
Nariman Point, Bombay.
Tel: 2024343, Tlx: 011-4153/4154

2) The Oberoi Bombay
Adjacent to Oberoi Towers,

3) Taj Mahal Intercontinental Hotel
Apollo Bunder, Colaba, Bombay.
Tel: 2023366, Tlx: 011-24411

4) President Hotel
90, Cuffe Parade, Colaba, Bombay.
Tel: 4950808, Tlx: 011-4135

5) Holiday Inn
Balraj Sahani Road, Juhu Beach, Bombay.
Tel: 6204444 Tlx: 011-71266, 71432

6) Welcomgroup Sea Rock Sheraton
Land's End, Bandra, Bombay.
Tel: 6425421, Tlx: 011-71230

7) The Leela Kempinski
Sahar, Bombay.
Tel: 6363636, Tlx: 011-79236, 79241

8) Centaur
Bombay Airport, Bombay.
Tel: 6166620, Tlx: 011-71171

Appendix III — USEFUL ADDRESSES IN GUJARAT

Industry Association Contracts:

1) Gujarat Chamber of Commerce and Industry
Gujarat Chamber Building, Ranchodlal Road, Ahmedabad-380009.
Phone: 78311-14

2) Federation of Gujarat Mills and Industries
Rameshchandra Dutt Road, Vadodara-5.

3) Central Gujarat Chamber of Commerce
Federation Building, Race Course Road, Vadodara-1.
Phone: 66496

4) Confederation of Engineering Industry
C/o Gujarat Steel Tubes Ltd.
Bank of India Building, Bhadra, Ahmedabad-380001.
Tel: 343841/45 Tlx: 0121-266/395/699 GSTL IN

Corporations:

1) Gujarat Communications and Electronics Ltd.
G.I.D.C., Makarpur, Vadodara.

2) Gujarat State Financial Corporation
Children's Hospital Building, Mithakhali, Rasala Marg, Ahmedabad-380006.
Tel: 444587, 444586, 444627, 444480, 444791.

3) Gujarat Industrial Development Corporations Limited (GIDC)
Fadia Chambers, 3rd floor, Ashram Road, Ahmedabad-380009.
Tel: 401671-6, Telex: 0121-6203

4) Gujarat Industrial Investment Corporation Limited (GIIC)
4th floor, Natraj Chambers, Ashram Road, Ahmedabad-380009.
Tel: 402351-5

5) INDEXTB
Industrial Extention Bureau (A Govt. of Gujarat Undertaking)
1st Floor, Nanalal Chambers, Ashram Road, Opp. Times of India, Ahmedabad-380009.
Tel: 402390, 402397, 402398, 402399, Tlx: 0121-6229 INDI IN

State Government Contracts:

1) Government of Gujarat
Sachivalay, Gandhinagar

2) Industries Commissioner
C/2 Multistoreyed Building, Lal Darwaja, Ahmedabad-380001
Phone: 350126, 353432, 350432, 350283, 350534, 351494

Hotels:

1) Welcomgroup Vadodara
R.C. Dutt Road, Vadodara-390005, Gujarat.
Tel: 323232, Cable: WELCOTEL BARODA, Tlx: 0175-525 GHL IN

2) Cama Hotel
Khanpur, Ahmedabad-380001, Gujarat.
Tel: 25281, Cable: Hotel Cama, Tlx: 0121-377 CAMA IN

Appendix IV — USEFUL ADDRESSES IN GOA.

Chambers of Commerce and Industry:

1) Goa Chambers of Commerce and Industry
P.O. Box No. 59, Panjim, Goa-400001
Tel: 2315/3222 Ta: CHAMBER

2) Goa Mineral Ore Exporters Association
Panjim, Goa.

State Government Contracts:

1) Department of Industries
Government of Goa
Panaji, Goa.

2) GDDIDC
Industrial Development Corporation
Shree Saraswati Mandir Building, 18th June Road,
Panaji, Goa.
Phone: 6201

3) Economic Development Corporation of Goa, Daman & Diu Ltd.
EDC House, Panaji, Goa-403001.
Phone: 4541-45, Tlx: 0194304 EDC IN, Grams: EDC IN

4) Mormugao Port Trust
Mormugao, Goa, India.

Hotels:

1) Fort Aguada Beach Resort
Singurim, Bardez, Goa.
Tel: 4401-7, Cable: Fort Aguada, Tlx: 0194-206 TAJ IN

2) Hotel Oberoi Bogmalo Beach
Bogmalo Dabo, Jim Airport, Goa-403806
Tel: 2191, 2510, 2183, Cable: OBHOTEL, Tlx: 0191-297 OBGAIN

3) Welcomgroup Cidade De Goa
Vainguinim Beach, Dona Paula, Goa: 403111
Tel: 3301-8, Cable: WELCOTEL, Tlx: 0194-257 DONA IN

Appendix V — THE CANADIAN HIGH COMMISSION, NEW DELHI AND THE CONSULATE OF CANADA, BOMBAY

1) Counsellor (Commercial)
Canadian High Commission
P.O. Box 5208, Shantipath, Chanakyapuri, New Delhi-110021.
India.
Phone: 608161, Tlx: 031-72362 DMCN IN Fax: 608161 Ext. 401

2) Consul and Trade Commissioner
Consulate of Canada
Hotel Oberoi Towers, Suite 2401, Nariman Point, Bombay-400021, India.
Phone: (From Canada 91-22) 2024343 Ext. 2401, Tlx: 011-4153 OBBY IN, Fax: 204-3282, 287-5514

Appendix VI — LAWYERS, ACCOUNTANTS AND CONSULTANTS

Lawyers:

1) Crawford Bayley & Co.
State Bank Building, 4th Floor, Vaidya Marg, Bombay.
Tel: 2863713

2) Mulla and Mulla
51, Mahatma Gandhi Road, Jehangir Wadia Building,
Fort, Bombay-400001.
Phone: 2044960

3) Little & Co.
Central Bank Building, Fort, Bombay-400001.
Phone: 272739

Consultants:

1) Tata Consultancy Services
Air India Building, 11th Floor, Nariman Point, Bombay-400021.
Phone: 2024827

2) A.F. Ferguson & Co.
Express Towers, 11th Floor, Nariman Point, Bombay-400021.
Phone: 2022427

3) Good Relations (I) Pvt. Ltd.
(Public Relations)
Johny Castle, 1st Floor, Wodehouse Road, Colaba, Bombay-400005.
Phone: 217346/5646

Accountants:

1) Price Waterhouse
1102 Raheja Chambers, Nariman Point, Bombay-400021.
Phone: 235138/90/23.

2) Arthur Andersen
Maker Tower F, Cuffe Parade, Bombay-400005.
Phone: 216641/213013

3) A.F. Fergusons & Co.
Maker Towers, E Block, 4th Floor, Nariman Point, Bombay-400021.
Phone: 211487

4) Lovelock & Lewes
Mahindra House, 15, J.N. Heredia Marg, Ballard Estate, Bombay-400038.
Phone: 2618209/2620146

5) S.B. Billimoria
Vulcan Insurance Building, Nariman Point, Bombay-400021.
Phone: 244991